

---

# ***Public Utilities Commission of the State of California***

## ***Results of Public Agenda 3130***

***Meeting Held on Tuesday, March 16, 2004 10:00 a.m.***

***San Francisco, California***

### **Commissioners**

**Michael R. Peevey, President**

**Geoffrey F. Brown**

**Susan P. Kennedy**

**Loretta M. Lynch**

**Carl W. Wood**

*Website: <http://www.cpuc.ca.gov>*

---

### **Scheduled Commission Meetings**

**505 Van Ness Avenue, San Francisco**

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Monday, April 19, 2004 (San Francisco)	Thursday, April 22, 2004 (San Francisco)
Monday, May 03, 2004 (San Francisco)	Thursday, May 06, 2004 (San Francisco)
Monday, May 24, 2004 (San Francisco)	Thursday, May 27, 2004 (San Francisco)

*\*Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor  
(415) 703-2074 E-mail: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TTY# (415) 703-5282 or toll free # 1-866-836-7825 three business days in advance of the meeting.

---

## PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
- 

**Public Comment:**

## Consent Agenda

*Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.*

## Orders and Resolutions

**1**

**Res TL- 19039**

[3216]

Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.

**Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**2**

**Res ALJ 176-3130**

[3217]

Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.

**Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**3**

[3235]

**Res L-310**

This resolution authorizes the disclosure of records concerning a Consumer Protection and Safety Division, Safety and Reliability Branch, Utility Safety Section investigation of an electric incident involving the facilities of the Southern California Edison Company in Norwalk, California on May 11, 2003, Incident No. E20030511-02.

**Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**4**

[3267]

**C03-08-024 - Joseph S. and Delores K. Rodriguez vs. Pacific Gas and Electric Company.**

This decision dismisses complaint for failure to state a cause of action that this Commission may adjudicate. This proceeding is closed.

(Comr Brown - ALJ Vieth)

**Outcome Signed**

[D04-03-010](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**5**

[3270]

**A03-12-021 - Alameda Corridor - East Construction Authority (ACE).**

This decision grants ACE's request to construct the proposed Ramona Boulevard grade-separated highway-rail crossing under Union Pacific Railroad Company's Alhambra Subdivision and Southern California Regional Rail Authority's San Gabriel Subdivision main line tracks and to close and physically remove the existing Cypress Avenue and Ramona Boulevard at-grade highway-rail crossings in the City of El Monte, Los Angeles County. This proceeding is closed.

(Exam Clark)

**Outcome Signed**

[D04-03-012](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**6**

[3276]

**A03-10-049 - Pajocom, LLC (Applicant).**

This decision grants Applicant a certificate of public convenience and necessity to provide limited facilities-based and resold local exchange telecommunications services. This proceeding is closed.  
(Comr Kennedy - ALJ O'Donnell)

**Outcome Signed**[D04-03-013](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**7**

[3279]

**A03-08-007 - Peak Communications, Inc. (Applicant).**

This decision grants Applicant a certificate of public convenience and necessity to provide limited facilities-based and resold local exchange services, and limited facilities-based interexchange services. The Applicant was previously authorized to resell interexchange services. This proceeding is closed.  
(Comr Wood - ALJ O'Donnell)

**Outcome Signed**[D04-03-014](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**8**

[3280]

**A03-07-039 - Peninsula Corridor Joint Powers Board (Caltrain).**

This decision grants Caltrain's application to replace three existing at-grade pedestrian-rail crossings with one grade-separated pedestrian-rail crossing overpass and to construct two at-grade private service crossings over Caltrain's main line tracks, and to relocate an at-grade pedestrian crossing over a Union Pacific Railroad spur track at the new Caltrain Bayshore Station in Brisbane, County of San Mateo. This proceeding is closed.

(Comr Brown - ALJ Simon)

**Outcome Signed**[D04-03-015](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

- 
- 9**  
[3284]      **Res G-3360 - Southern California Gas Company (SoCalGas).**  
This resolution approves SoCalGas' request to increase fees for certain meter tests, charge interest on bills for unauthorized use, and clarify that interest will not be charged for billing errors. (Advice Letter 3287, filed August 29, 2003)  
**Outcome    Approved**  
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 10**  
[3285]      **Res E-3832 - Southern California Edison Company (SCE).**  
This resolution approves SCE's 2001 and 2002 Performance Based Ratemaking Performance Reports, which detail revenue sharing calculations and service quality performance rewards for 2001 and 2002. (Advice Letters 1608-E-B and 1697-E-A, both filed August 18, 2003)  
**Outcome    Held (4/1/04, Consent Agenda.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 11**  
[3286]      **Res W-4461 - Central Water System (CWS).**  
This resolution authorizes CWS an increase in general rates producing an increase in annual revenues of \$2,015 or 14.3% for Test Year 2003.  
**Outcome    Approved**  
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 12**  
[3287]      **Res W-4462 - California Water Service Company (CWSC), Salinas and Bakersfield Districts.**  
This resolution authorizes CWSC the acquisition of three water companies and rates for two of them, authorizing surcharges in the Salinas District to recover undercollections in purchased power balancing account producing additional annual revenues of \$394,707 or 5.1% for the Salinas District, and granting withdrawal of Advice Letter 1542. (Advice Letter (AL) 1514 and AL 1515, filed May 7, 2002; AL 1517, filed June 26, 2002; AL 1532, filed January 2, 2003; and AL 1542, filed March 17, 2003)  
**Outcome    Held (4/1/04, Consent Agenda.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
-

- 
- 13**  
[3288]      **(ECP) C03-12-012 - Dean B. Lumibao vs. Verizon Wireless.**  
This decision dismisses the case because Complainant failed to appear at a duly noticed hearing. This proceeding is closed.  
(Comr Brown - ALJ Barnett)  
**Outcome Signed**  
[D04-03-016](#)  
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 14**  
[3289]      **Res ST-69 - Los Angeles to Pasadena Metro Blue Line Construction Authority (PBLCA).**  
This resolution grants PBLCA authority, on behalf of Los Angeles County Metropolitan Transportation Authority, to deviate from the disconnect switches locking or interlocking requirements of General Order 143-B, Safety Rules and Regulations Governing Light Rail Transit Section 10.07, Disconnect Switches, on the Pasadena Gold Line.  
**Outcome Approved**  
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 15**  
[3295]      **Res W-4463 - Yosemite Spring Park Utility Company, Inc. (YSP).**  
This resolution authorizes YSP an increase in rates producing additional annual revenues of \$558,410 or 54.14% in Test Year 2003 and a Consumer Price Index increase of \$30,210 or 1.9% in 2004.  
**Outcome Approved**  
Yes: (Brown, Kennedy, Peevey, Wood)  
No: (Lynch)  
Abstain: (none)  
Absent: (none)
- 16**  
[3297]      **A03-08-006 - Atul Misra (Applicant).**  
This decision authorizes Applicant to operate as a passenger stage corporation between certain cities in Alameda, Santa Clara, and San Mateo Counties, on the one hand, and San Francisco, Oakland, and San Jose International Airports, on the other hand. This proceeding is closed.  
(Exam Clark)  
**Outcome Signed**  
[D04-03-017](#)  
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)  
No: (none)  
Abstain: (none)  
Absent: (none)
-

**17** **A03-12-013 - Mohammad Yoonos dba Discount Shuttle (Transferor) and Discount Shuttle**  
[3298] **L.L.C. (Transferee).**

This decision authorizes Transferor to transfer his passenger stage corporation certificate to Transferee and authorizes Transferee to extend the service area of the certificate. This proceeding is closed.

(Exam Clark)

**Outcome Signed**

[D04-03-018](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**18** **A03-12-006 - Southern California Edison Company (SCE).**  
[3301]

This decision grants SCE's unopposed application to lease available land under Pub.Util. Code §851. The SCE property consists of 8.3 acres located on a portion of SCE's Center-Del Amo transmission Right of Way in the City of Bellflower (Site). The Site is part of the Center-Del Amo 220 kilovolt system. The lease is sought to permit CT Storage-Bellflower, LLC to operate a recreational vehicle storage facility on the Site. The lease will not interfere with SCE's utility obligations and will generate additional revenues to be split between SCE's shareholders and ratepayers under the sharing mechanism approved in prior Commission decisions. This proceeding is closed.

(Comr Brown - ALJ Econome)

**Outcome Signed**

[D04-03-019](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**19** **A04-01-039 - Lodi Gas Storage, L.L.C. (LGS).**  
[3302]

This decision grants LGS an exemption from the requirements of Pub. Util. Code §851 for the sole purpose of assigning its accounts receivable to secure a short-term working capital line of credit in the amount of \$5 million and assigning future accounts receivable of up to a \$10 million ceiling for a revolving line of credit through loan agreement with terms up to three years. This proceeding is closed.

(Comr Brown - ALJ Galvin)

**Outcome Signed**

[D04-03-020](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**20**

[3303]

**A01-09-062 - California Water Service Company.**

For an order authorizing it to increase rates charged for water service at each of its operating districts to recover increased operating expenditures at its general office. A01-09-063, A01-09-064, A01-09-065, A01-09-066, A01-09-067, A01-09-068, A01-09-069, A01-09-070, A01-09-071, A01-09-072, A01-09-073 and A01-09-074 - Related matters. This decision grants Aglet Consumer Alliance \$1,992.16 in compensation for its substantial contribution to D04-01-052. (Comr Kennedy - ALJ Bushey)

**Outcome Signed**[D04-03-021](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**21**

[3304]

**Res T-16810 - SBC California (SBC).**

This resolution approves an Interconnection Agreement between SBC and Phone Home, Inc., in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 24482, filed December 29, 2003)

**Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**22**

[3305]

**A03-10-009 - Pacific Gas and Electric Company (PG&E).**

This decision grants PG&E's application for approval of an amendment to a consent agreement that would permit the owner of land, over which PG&E has an easement, to construct a swimming pool. This proceeding is closed.

(Comr Lynch - ALJ O'Donnell)

**Outcome Signed**[D04-03-022](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)



**23**

[3307]

**A03-04-022 - Southern California Edison Company (SCE).**

This decision grants SCE's petition to change the filing dates for consolidating Commission authorized revenue requirements and unbundled rate level changes and for updating its Energy Resource Recovery Account (ERRA) trigger and threshold amounts. The annual consolidated filing is now due on August 1st as part of SCE's annual ERRA forecast application and the updated ERRA trigger and threshold amount updates are now due on April 1st as part of SCE's annual ERRA Advice Letter filings. This proceeding is closed.

(Comr Peevey - ALJ Galvin)

**Outcome Signed**[D04-03-023](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**24**

[3311]

**A03-05-038 - Pacific Gas and Electric Company (PG&E) and Starlink Logistics Inc. (Starlink).**

This decision grants PG&E's application to sell a parcel of land to Starlink and defers consideration of the allocation of PG&E's gain on sale to a rulemaking considering gain on sale issues. This proceeding is closed.

(Comr Kennedy - ALJ Bemdesderfer)

**Outcome Signed**[D04-03-024](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**25**

[3312]

**A01-09-071 - California Water Service Company (Cal Water).**

This decision modifies D02-08-054 to allow Cal Water to use the advice letter process for review of costs recorded in memorandum account.

(Comr Kennedy - ALJ Bushey)

**Outcome Signed**[D04-03-025](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**26**

[3314]

**A04-01-029 - Searles Domestic Water Company LLC, IMC Chemical North America LLC, and Doe Holdings Corp. (Applicants).**

As part of a corporate reorganization, Applicants, pursuant to Pub. Util. Code § 854, seek transfer of control of Searles Domestic Water Company, a public utility water company serving 1,100 customers in San Bernardino County. The application is unopposed. The application is granted. This proceeding is closed.

(Comr Kennedy - ALJ Walker)

**Outcome Signed**[D04-03-026](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**27**

[3316]

**R97-10-016 - Order Instituting Rulemaking on the Commission's own motion into monitoring performance of operations support systems.**

I97-10-017 - Related matters. This decision adopts minor modifications to Verizon California Inc.'s Performance Measure 45 under the revised Joint Partial Settlement Agreement, which is a document containing the operations and support systems (OSS) performance matrices for Pacific Bell Telephone Company, doing business as SBC California, and Verizon. The performance measures have been established to ensure that SBC California's and Verizon's OSS services to the competitive local exchange carriers (CLECs) do not present barriers to the CLECs' ability to offer consumers local phone service. Accordingly, the joint motion by Verizon and the participating CLECs seeking adoption of the modifications is granted.

(Comr Brown - ALJ Reed)

**Outcome Signed**[D04-03-027](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**28**

[3317]

**A03-09-019 - Los Angeles County Metropolitan Transportation Authority (MTA).**

This decision grants MTA's request to construct four at-grade highway-rail crossings across Mission Road and Anderson, Utah, and Clarence Streets and an at-grade pedestrian-rail crossing across pedestrian crosswalk at Gless Street as part of the Eastside Corridor Light Rail Transit Line project in the City of Los Angeles, Los Angeles County. This proceeding is closed.

(Exam Clark)

**Outcome Signed**

[D04-03-028](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**29**

[3318]

**A03-09-012 - Los Angeles County Metropolitan Transportation Authority (MTA).**

A03-09-021, A03-09-028 - Related matters. This proceeding grants MTA's request to construct one at-grade pedestrian-rail crossing at Marianna Avenue and nine at-grade highway-rail crossings at Eastern, McDonnell, Arizona, Mednik, and La Verne Avenues; Ford Boulevard; Civic Center Way; County Sheriff's Station Driveway; and the Woods Avenue, Via Corona, and Beverly Boulevard intersection as part of the Eastside Corridor Light Rail Transit Line project in the County of Los Angeles. This proceeding is closed.

(Exam Clark)

**Outcome Signed**

[D04-03-029](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**30**

[3320]

**R99-10-025 - Order Instituting Rulemaking into distributed generation.**

This decision grants \$67,338.14 jointly to Latino Issues Forum and Greenlining Institute for substantial contributions to D03-02-068. This proceeding is closed.

(Comr Lynch - ALJ Cooke)

**Outcome Signed**

[D04-03-030](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**31**

[3321]

**A99-12-024 - Southern California Edison Company.**

For authority to value its hydroelectric generation assets and for authority to retain its hydroelectric generation assets in a regulated utility corporation. This decision awards The Utility Reform Network intervenor compensation of \$49,539.99 for its contribution to A99-12-024. This proceeding is closed.  
(Comr Wood - ALJ McKenzie)

**Outcome Signed**[D04-03-031](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**32**

[3323]

**A03-12-031 - Time Warner Cable Information Services (California), LLC (Applicant).**

This decision grants Applicant a certificate of public convenience and necessity to provide limited facilities-based and resold local exchange and interexchange telecommunications services. This proceeding is closed.

(Comr Kennedy - ALJ O'Donnell)

**Outcome Signed**[D04-03-032](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**33**

[3325]

**R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.**

This decision awards The Utility Reform Network \$119,571.40 in compensation for its contributions to D03-02-034, D03-02-072, D03-06-067, D03-06-071, D03-06-073, D03-06-076 and for its participation in the Procurement Review Groups related to the subject rulemaking.

(Comr Peevey - ALJ Allen)

**Outcome Held (4/1/04, Consent Agenda.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**34**

[3327]

**R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.**

This decision awards the Union of Concerned Scientists \$74,712 in compensation for its contribution to D02-08-071 and D02-10-062.

(Comr Peevey - ALJ Allen)

**Outcome Signed**[D04-03-033](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

---

## Regular Agenda

### Energy Orders

**35**

[2881]

**A02-02-012 - Southwest Gas Corporation.**

For authority to increase rates in San Bernardino, Placer, El Dorado, and Nevada Counties, California. This decision grants increases of \$3.6 million in Southern California and \$3.8 million in Northern California. This proceeding is closed.

(Comr Peevey - ALJ DeBerry)

Agenda 3124, Item 40 12/4/2003 (Lynch);

Agenda 3126, Item 46 1/8/2004 (Lynch);

Agenda 3127, Item 16 1/22/2004 (Wood);

Agenda 3128, Item 28 2/11/2004 (Wood)

**Outcome Signed (Comr. Lynch reserves the right to file a dissent. Comr. Wood reserves the right to file a dissent.)**

D04-03-034

Yes: (Brown, Kennedy, Peevey)

No: (Lynch, Wood)

Abstain: (none)

Absent: (none)

**35a**

[3227]

**ALTERNATE TO ITEM 2881**

This alternate decision grants increases of \$1.73 million for Southwest Gas Corporation's Southern California Division and \$3.47 million for its Northern California Division, based on differences with the proposed decision in the areas of capital structure, pipeline replacement program, and rate base. The alternate also adopts a disallowance of \$12.18 million of Southwest Gas' natural gas procurement costs incurred during the winter of 2001-2002. This proceeding is closed.

(Comr Lynch)

Agenda 3128, Item 28a 2/11/2004 (Wood)

**Outcome Defeated**

Yes: (Lynch, Wood)

No: (Brown, Kennedy, Peevey)

Abstain: (none)

Absent: (none)

36

[2910]

**A03-05-012 - Pacific Gas and Electric Company (PG&E).**

PG&E seeks Commission approval pursuant to Pub. Util. Code §851 of certain licenses and leases of PG&E property already in effect (the “agreements” or “transactions”). In total PG&E seeks approval of 256 transactions. Most of these agreements were entered into several years ago. Each permits various uses of PG&E property by third parties. The transactions did not have prior approval of the Commission pursuant to Pub. Util. Code §851. PG&E states that it discovered many of these agreements in various branch office files while conducting an extensive search in the PG&E bankruptcy proceeding. Because the 256 transactions may implicate environmental review or may not meet the criteria for General Order (GO) 69-C transactions, PG&E states that it decided it would be prudent to seek formal approval of the transactions under Section 851. In addition, PG&E asserts that Commission environmental review under the California Environmental Quality Act (CEQA) is unnecessary because the majority of the transactions fit within CEQA exemptions, nine received adequate local CEQA review, and six pre-date CEQA and are thus not subject to its requirements. This decision grants Section 851 approval for 255 of the transactions on a prospective basis. The Commission notes one of the transactions fits within recent Commission decisions finding agreements allowing floating boat docks as appropriate under GO 69-C. Therefore, Commission's approval here is not required. The decision declines to impose a penalty for failure to obtain prior approval of the transactions. With respect to CEQA, the Commission notes that because all of the agreements are several years old, any activity which may have warranted Commission's environmental review has long since occurred. Accordingly, Commission's CEQA review at this time has little value for practical purposes. Nevertheless, the Commission will address the CEQA issues raised by PG&E and determine where possible, the applicability of the claimed exemptions. This proceeding is closed. (Comr Kennedy - ALJ Walker)

Agenda 3124, Item 42 12/4/2003 (Kennedy);

Agenda 3127, Item 18 1/22/2004 (Wood);

Agenda 3128, Item 30 2/11/2004 (Wood)

**Outcome Held (4/1/04. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**36a (Rev.)**

[3306]

**ALTERNATE TO ITEM 2910**

This alternate differs from the Proposed Decision in the manner in which CEQA concerns are resolved and in its retroactive treatment of the leases. The Proposed Decision approved the leases on a going-forward basis, while declaring them to be void for periods prior to the approval. In response to comments, the ALJ reversed that position, proposing that the Commission grant a retroactive exemption for the leases, pursuant to Section 853. The alternate adheres to the ALJ's original position on this issue.

(Comr Wood)

03/12/2004 - This revision was not shown on the Agenda mailed to the public.

**Outcome Held (4/1/04. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**37**

[3003]

**I01-08-029 - Order Instituting Investigation into Southern California Edison Company's electric line construction, operation, and maintenance practices. Southern California Edison Company (Edison), Respondent.**

This decision fines Edison a total of \$576,000, primarily for 25 violations of the Commission's General Order (GO) 95 and GO 128 specifying the requirements for the construction, operation, and maintenance of overhead and underground utility systems. The decision fines Edison \$20,000 for each of these 25 violations that have a nexus with an accident involving death, injury, or property damage. It also fines Edison \$1,000 for each of 56 violations of GO 165 for failure to identify unsafe conditions and \$20,000 for one violation for exceeding GO 165's inspection intervals. This decision also grants the intervention of the California Cable and Telecommunications Association (CCTA), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E). It also considers and rejects the appeals to the presiding officer's decision of Edison, the Commission's Consumer Protection and Safety Division, CCTA, P&GE, and SDG&E. This proceeding is closed.

(Comr Kennedy - ALJ Econome)

Agenda 3124, Item 47 12/4/2003 (Kennedy);

Agenda 3127, Item 22 1/22/2004 (Kennedy);

Agenda 3128, Item 31 2/11/2004 (Peevey);

Agenda 3129, Item 20 2/26/2004 (Peevey)

**Outcome Held (4/1/04. For alternate.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)



**38**

[3181]

**A03-06-040 - Southern California Gas Company (SoCalGas).**

In compliance with Resolution G-3334 for a system of firm, tradable receipt point capacity rights and related provisions. This decision adopts tariffs that implement the Comprehensive Settlement Agreement adopted in D01-12-018. The tariffs implement a market and regulatory framework for regulating the transportation and storage of natural gas on SoCalGas' system. This decision also denies a petition to vacate D01-12-018. This proceeding is closed.

(Comr Brown - ALJ DeUlloa)

Agenda 3128, Item 37 2/11/2004 (Kennedy);

Agenda 3129, Item 23 2/26/2004 (Brown)

**Outcome Held (4/1/04. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**38a**

[3264]

**ALTERNATE TO ITEM 3181**

This alternate decision grants in part the Petition to Modify Decision D01-12-018, and vacates D01-12-018 and Resolution G-3334. The decision finds that, due to changes in the market and regulatory framework since the Commission adopted D01-12-018, the alternate has concluded that it is no longer in the public interest to pursue implementation of the SoCalGas Comprehensive Settlement Agreement. SoCalGas is directed to provide its services under existing rules and tariffs.

(Comr Lynch)

Agenda 3129, Item 23a 2/26/2004 (Brown)

**Outcome Held (4/1/04. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**39**

[3184]

**A03-06-014 - Southern California Edison Company (SCE).**

Pursuant to Pub. Util. Code Section 851, this decision grants SCE's application to lease land to RHC Communities, LLC for construction of self-storage facilities. The decision will require SCE to modify the terms of the lease in order to protect its utility customers. If these changes are made, the Commission finds that the lease will not impair SCE's ability to serve its customers, and will not harm the environment. As SCE proposes, the gross lease proceeds shall be allocated to SCE's shareholders and ratepayers respectively, according to a 70 percent – 30 percent split. This proceeding is closed.

(Comr Kennedy - ALJ Thomas)

Agenda 3128, Item 38 2/11/2004 (Kennedy)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**39a**

[3322]

**ALTERNATE TO ITEM 3184**

The alternate grants the application without the modifications imposed by the proposed decision of Administrative Law Judge.

(Comr Kennedy)

**Outcome Signed**

[D04-03-035](#)

Yes: (Brown, Kennedy, Peevey)

No: (Lynch, Wood)

Abstain: (none)

Absent: (none)

**40**

[3248]

**A03-02-005 - Pacific Gas and Electric Company (PG&E).**

This decision grants PG&E's application pursuant to Pub. Util. Code Section 851, to lease and sell certain electric distribution facilities, and to lease space on PG&E wood transmission poles, to the Modesto Irrigation District. The Commission defers its decision on the allocation of PG&E's gain on sale to the upcoming gain on sale rulemaking. This proceeding is closed.

(Comr Brown - ALJ Prestidge)

**Outcome Signed**

[D04-03-036](#)

Yes: (Brown, Kennedy, Peevey, Wood)

No: (Lynch)

Abstain: (none)

Absent: (none)

**41**

[3268]

**A02-05-004 - Southern California Edison Company (SCE).**

I02-06-002 - Related matters. SCE's test year revenue requirement is established, a late payment charge and adjustments to other service charges are approved, a post-test year ratemaking mechanism is approved, 1997-98 capital additions are approved, and proposals for performance incentives are denied.

(Comr Wood - ALJ Wetzell)

**Outcome Held (4/1/04. Further consideration.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**41a**

[3269]

**ALTERNATE TO ITEM 3268**

This alternate differs from the Proposed Decision in 3 ways, none of which affect the revenue requirement:

1. It modifies Section 5.5 Service Guarantees to adopt ORA's proposed 8-part service standard.
2. It modifies Section 6.2.7 Employee Compensation Issues to point out weaknesses in the current Total Compensation Study methodology, order SCE to develop a new study for the next GRC, and adopt Greenlining's proposal to require SCE to annually report to the Commission on total compensation to its ten most highly-compensated employees.
3. It modifies Section 13.2 The Case for Performance Incentives. CCUE had proposed benchmarks and incentives. SCE and CCUE then reached a settlement adopting modified benchmarks and incentives. The PD rejects both, stating that incentives are inconsistent with Cost of Service ratemaking. The alternate adopts CCUE's proposal.

There are changed Findings, Conclusions and Ordering Paragraphs to match these text changes. In all other respects, the drafts are the same.

(Comr Wood)

**Outcome Held (4/1/04. Further consideration.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**42**

[3299]

**A03-07-032 - Southern California Edison Company (Edison).**

This decision approves the changes that the Federal Energy Regulatory Commission ordered to the power purchase agreement that D03-12-059 authorized Edison to enter into with Mountainview Power Company, LLC for electricity from the Mountainview Power Project.

(Comr Peevey - ALJ Brown)

**Outcome Signed (Comr. Lynch reserves the right to file a dissent.)**

[D04-03-037](#)

Yes: (Brown, Kennedy, Peevey, Wood)

No: (Lynch)

Abstain: (none)

Absent: (none)

**43**

[3315]

**R \_\_\_\_\_ - Order Instituting Rulemaking to establish policies, procedures and incentives regarding distributed generation and distributed energy resources.**

Order Instituting Rulemaking regarding policies, procedures and incentives for Distributed Generation and Distributed Energy Resources, including development of a cost-benefit analysis methodology, DG as a utility procurement resource, future incentives for customer-side DG installations, outstanding technical issues, and DG issues for the future.

**Outcome Signed**

[R04-03-017](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

---

**Energy Resolutions and Written Reports****44                    Res G-3362 - Pacific Gas and Electric Company (PG&E).**

[3185]

This resolution approves PG&E's request to credit the Core Gas Fixed Cost, the Noncore Customer Class Charge Account and the Electric Transition Revenue Account by the amount of over-collected revenue requirements associated with medical and life insurance Post-retirement Benefits Other than Pensions and Long Term Disability for the period of 1999 through 2002. The filing is made in compliance with D00-02-046 and D95-12-055. (Advice Letter 2493-G/2432-E, filed October 28, 2003)

Agenda 3129, Item 28 2/26/2004 (Lynch)

**Outcome   Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**45                    Res G-3364 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), and Southwest Gas Corporation (Southwest Gas).**

[3265]

This resolution approves with modifications the requests of PG&E, SCE, SDG&E, SoCalGas, and Southwest Gas for incorporating D03-03-032 into their electric and gas line extension tariff rules. (PG&E Advice Letter (AL) 2458-G-B/2379-E-B, filed January 22, 2004; SCE AL 1705-E, filed December 24, 2003; SDG&E AL 1496-E-A/1377-G-A, filed December 22, 2003; SoCalGas AL 3260-A, filed December 22, 2003, and Southwest Gas AL 686-B, filed December 23, 2003)

**Outcome   Held (4/1/04.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

---

**Telecommunication Orders****46                   A01-02-012 - Verizon California Inc. (Verizon).**

[2976]

This decision grants Verizon authority to re-categorize its Business Billable Repair Service (BRS), Business Inside Wire Maintenance Service Plan (IWMP), and CentraNet IWMP from Category II to Category III service offerings. Verizon is also authorized to increase the first weekday hour or less of its Business BRS ceiling rate from \$85 to \$100. The decision denies Verizon authority to re-categorize its Residential BRS, Residential IWMP, and Landlord IWMP from Category II to Category III. This proceeding is closed.

(Comr Wood - ALJ Galvin)

Agenda 3125, Item 72 12/18/2003 (Brown);

Agenda 3128, Item 42 2/11/2004 (Brown)

**Outcome   Held (4/1/04. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**46a**

[3293]

**ALTERNATE TO ITEM 2976**

This decision grants Verizon authority to re-categorize its Residential, Landlord, Business, and CentraNet Inside Wire Maintenance Plans (IWMP), and Residential and Business Billable Repair Services (BRS) from Category II to Category III service offerings. Verizon is also authorized to increase its Residential and Landlord IWMP rates from \$0.95 to \$1.75, with rates capped at \$2.99 following the passage of one year, and Business and CentraNet IWMP from \$1.75 to \$2.50 and to increase the first weekday hour or less of its Business BRS ceiling rate from \$85 to \$100. The decision requires a revision to Tariff A-9, sheet 19 such that when an SNI has not been installed Verizon "will not charge for a premise visit nor for identifying the location (inside wire, network or CPE) of a problem." The decision requires disclosures of and notices informing subscribers of their options, and denies Verizon Advice Letter 9167. This proceeding is closed.

(Comr Brown)

**Outcome   Held (4/1/04. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**47**

[2987]

**A99-10-010 - GTE California Incorporated (now Verizon California, Inc.).**

Verizon California Inc. (Verizon) has amended this 1999 application, which now seeks approval under Pub. Util. Code §851 of 18 lease and license agreements, as well as other relief. The amendment incorporates recommendations by the Commission's Office of Ratepayer Advocates (ORA) based on ORA's audit of Verizon in the fourth triennial review of the New Regulatory Framework, or NRF. This decision also gives §851 approval to Verizon's shared asset methodology of dealing with office space and office equipment used by three Verizon affiliates that perform administrative functions for Verizon and other subsidiaries of Verizon's parent company. The decision also approves an option by which Verizon in the future may make a triennial filing for Section 851 approval of space and office equipment leases by three affiliates, subject to the shared asset methodology of accounting and subject to annual advice letter updates. The order closes this proceeding.

(Comr Wood - ALJ Walker)

Agenda 3126, Item 59 1/8/2004 (Lynch);

Agenda 3127, Item 34 1/22/2004 (Kennedy);

Agenda 3128, Item 43 2/11/2004 (Wood)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**47a**

[3237]

**ALTERNATE TO ITEM 2987**

Verizon California Inc. (Verizon) has amended this 1999 application, which now seeks approval under Pub. Util. Code §851 of 18 lease and license agreements, as well as other relief. The amendment incorporates recommendations by the Commission's Office of Ratepayer Advocates (ORA) based on ORA's audit of Verizon in the fourth triennial review of the New Regulatory Framework, or NRF. This decision also gives §851 approval to Verizon's shared asset methodology of dealing with office space and office equipment used by three Verizon affiliates that perform administrative functions for Verizon and other subsidiaries of Verizon's parent company. This approval relieves Verizon of the need to prepare space and office equipment leases with these three affiliates or to file those leases for Commission approval in formal §851 applications. This decision declines to adopt ORA's suggested procedural changes for use of the shared asset methodology.

(Comr Kennedy)

Agenda 3128, Item 43a 2/11/2004 (Wood)

**Outcome Signed (Comr. Wood reserves the right to file a dissent.)**

[D04-03-038](#)

Yes: (Brown, Kennedy, Peevey)

No: (Lynch, Wood)

Abstain: (none)

Absent: (none)

**47b**

[3310]

**ALTERNATE TO ITEM 2987**

This alternate reaches the same outcome as the Proposed Decision and differs in only one respect. The PD finds that because all of the agreements involved in the application are several years old, any activity which may have warranted the Commission's environmental review has long since occurred. Nonetheless, the PD goes on to identify how each lease might be treated under CEQA. The alternate removes this language, finding that environmental concerns are moot.

(Comr Wood)

**Outcome Defeated**

Yes: (Lynch, Wood)

No: (Brown, Kennedy, Peevey)

Abstain: (none)

Absent: (none)

**48**

[3173]

**A03-10-032 - WilTel Communications, LLC (WTC).**

A03-10-033 - Related matters. This decision grants A03-10-032 of WTC for approval of the transfer of control of WTC from Williams Communications Group, Inc. to WilTel Communications Group, Inc. (new WCG). In addition, the decision grants WTC's A03-10-033 for approval of the acquisition of a controlling interest in new WCG, resulting in a controlling interest in WTC, by Leucadia National Corporation. The approvals are prospective in nature. Also, the decision imposes fines totaling \$10,000 for failure to obtain advance approvals of the transfers. These proceedings are closed.

(Comr Kennedy - ALJ O'Donnell)

Agenda 3128, Item 46 2/11/2004 (Lynch)

**Outcome Held (4/1/04. For alternate.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**49**

[3174]

**A03-10-034 - WilTel Local Network, LLC (WLN).**

A03-10-035 - Related matters. This decision grants A03-10-034 of WLN for approval of the transfer of control of WLN from Williams Communications Group, Inc. to WilTel Communications Group, Inc. (new WCG). In addition, the decision grants WLN's A03-10-035 for approval of the acquisition of a controlling interest in new WCG, resulting in a controlling interest in WLN, by Leucadia National Corporation. The approvals are prospective in nature. Also, the decision imposes fines totaling \$10,000 for failure to obtain advance approvals of the transfers. These proceedings are closed.

(Comr Kennedy - ALJ O'Donnell)

Agenda 3128, Item 47 2/11/2004 (Lynch)

**Outcome Held (4/1/04. For alternate.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)



**50**

[3236]

**A02-07-050 - SBC Pacific Bell Telephone Company (SBC California).**

This decision grants SBC California's motion to dismiss this application and closes the proceeding. This proceeding is closed with prejudice for a period of two years, during which time SBC California may not seek recategorization of its directory assistance services.

(Comr Lynch - ALJ Malcolm)

**Outcome Held (4/1/04.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

---

**Telecommunication Resolutions and Reports****51                    Res T-16818 - SBC California (SBC).**

[3108]                This resolution dismisses without prejudice SBC's request to waive the installation service charge for eligible residence and business customers returning from facilities-based carrier service. (Advice Letters 24278 and 24279, filed October 10, 2003)

Agenda 3127, Item 37 1/22/2004 (Staff);

Agenda 3128, Item 49 2/11/2004 (Kennedy);

Agenda 3129, Item 34 2/26/2004 (Staff)

**Outcome   Held (4/1/04. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**52                    Res T-16763**

[3261]                This resolution streamlines and clarifies filing rules for claiming carriers. Imposes deadlines for California Teleconnect Fund customers to provide certain information to providing carriers.

**Outcome   Held (4/1/04.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

---

**Water/Sewer Orders****53**

[2368]

**A02-11-057 - Point Arena Water Works, Inc.**

For an order authorizing a rate increase in rates subject to refund producing additional annual revenues of \$70,137 or 56.9% for the test year 2002. This interim decision determines that 1995 tax refunds will not be included in the scope of this 2002 test year general rate case.

(Comr Wood - ALJ Bushey)

Agenda 3116, Item CA-16 7/10/2003 (Staff);

Agenda 3117, Item 5 8/21/2003 (Lynch);

Agenda 3118, Item 44 9/4/2003 (Lynch);

Agenda 3120, Item 48 10/2/2003 (Wood);

Agenda 3123, Item 45 11/13/2003 (Peevey);

Agenda 3125, Item 73 12/18/2003 (Wood);

Agenda 3128, Item 51 2/11/2004 (Staff);

Agenda 3129, Item 35 2/26/2004 (Staff)

**Outcome Held (4/1/04.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**53a**

[2768]

**ALTERNATE TO ITEM 2368**

This alternate grants the City of Point Arena an opportunity to have an evidentiary hearing regarding the accounting and ratemaking treatment of income tax refunds.

(Comr Lynch)

Agenda 3120, Item 48a 10/2/2003 (Wood);

Agenda 3123, Item 45a 11/13/2003 (Peevey);

Agenda 3125, Item 73a 12/18/2003 (Wood);

Agenda 3128, Item 51a 2/11/2004 (Staff);

Agenda 3129, Item 35a 2/26/2004 (Staff)

**Outcome Held (4/1/04.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**54**

[3021]

**A02-11-007 - Southern California Water Company (SCWC).**

This decision grants SCWC authority to increase rates by \$8,093,500 or 12.05% in the year 2003; by \$1,849,700 or 2.45% in the year 2004; and by \$2,738,900 or 3.54% in the year 2005 in its Region III Service Area. Rates for Region III will continue to be determined on a regional, rather than district specific, basis. SCWC's request to also increase rates for the General Office Allocation to the Region I and II Customer Service Areas (CSAs) is denied. Revenues derived from the lease of water rights to the City of Folsom will be used prospectively to offset the cost of service for the Arden-Cordova CSA. This proceeding is closed.

(Comr Peevey - ALJ Fukutome)

Agenda 3126, Item 9 1/8/2004 (Lynch);

Agenda 3128, Item 52 2/11/2004 (Staff);

Agenda 3129, Item 36 2/26/2004 (Kennedy)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**54a (Rev.)**

[3232]

**ALTERNATE TO ITEM 3021**

This alternate decision finds that the utility violated Public Utilities Code Section 851 when it failed to seek Commission approval for a 1994 lease to the City of Folsom of rights to 5,000 acre feet per year of water from the American River. The utility is ordered to pay a fine of \$1,095,000, of which \$915,000 is suspended, for a net fine of \$180,000. The alternate also finds that the utility improperly recorded the lease revenues in a below-the-line account that only benefitted shareholders. The utility is ordered to credit 70 percent of the total amount of lease revenues, plus interest, on customer bills.

(Comr Lynch)

Agenda 3128, Item 52a 2/11/2004 (Staff);

Agenda 3129, Item 36a 2/26/2004 (Kennedy)

03/15/2004 - This revision was not shown on the Agenda mailed to the public.

**Outcome Signed (Comr. Brown reserves the right to file a concurrence. Comr. Kennedy reserves the right to file a dissent.)**

D04-03-039

Yes: (Brown, Lynch, Wood)

No: (Kennedy, Peevey)

Abstain: (none)

Absent: (none)

**54b**

[3262]

**ALTERNATE TO ITEM 3021**

These alternate pages defer the issue of water rights for further consideration in an Order Instituting Investigation/Order Instituting Rulemaking. In addition, rates are made effective immediately.

(Comr Kennedy)

Agenda 3129, Item 36b 2/26/2004 (Kennedy)

**Outcome Defeated**

Yes: (Kennedy, Peevey)

No: (Brown, Lynch, Wood)

Abstain: (none)

Absent: (none)

**55**

[3254]

**A02-09-030 - California-American Water Company (CalAm).**

A02-09-031, A02-09-032, A02-09-033 - Related matters. This decision grants CalAm test year 2003 and test year 2004 rate increases of \$237,400 (32.3%) and \$88,900 (9.1%) in Felton district, \$319,700 (20.6%) and \$70,700 (3.8%) in Larkfield district, and \$5,217,200 (32.2%) and \$1,104,000 (5.1%) in Sacramento district. The 2004 increases are deferred to 2005 in accordance with an earlier Commission order. CalAm's requests to combine districts are denied. CalAm's request to withdraw Application 02-09-033, its Montara district general rate case, is granted. This proceeding is closed.

(Comr Wood - ALJ McVicar)

**Outcome Held (4/1/04. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**56**

[3255]

**A02-11-020 - California Water Service Company (Cal Water).**

This decision on Cal Water's general rate case authorizes Cal Water an overall general rate increase for 2004 of \$197,600 (about 28%), as well as the ability to file (by advice letter) for attrition year adjustments in 2005 and 2006. This decision also adopts a rate of return of 8.11% and a return on equity of 9.32%. This proceeding is closed.

(Comr Wood - ALJ Econome)

**Outcome Signed**

D04-03-040

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**Commissioner's Reports****57**

[3257]

**President Peevey Report**

Discussion of and action on applications for Commission appointments to the PG&E Environmental Enhancement Corporation and the Clean Energy Technology Corporation.  
Agenda 3129, Item 40 2/26/2004

**Outcome Approved (Comr. Lynch concurs in part and dissents in part to the nominees for appointment to the Stewardship Council and dissents to the appointment of Pres. Peevey to the Clean Energy Technology Corporation.)**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**58**

[3294]

**President Peevey Report**

Discussion and action on proposed changes to Policies and Guidelines governing the Commission's Agenda.

**Outcome Approved**

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

## Closed Session

*This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the*

### Non-Federal

- 60**                    **R01-12-009 - Conference with Legal Counsel – Application for Rehearing**  
 [3016]                    Disposition of Applications for rehearing of D03-06-072, filed by California Water Association and its Class A Water Utility Members and Southern California Water Company. In this decision, the Commission revised procedures for recovery from water balancing accounts existing on or after November 29, 2001.  
                              Agenda 3125, Item 77 12/18/2003 (Kennedy);  
                              Agenda 3127, Item 49 1/22/2004 (Staff);  
                              Agenda 3129, Item 41 2/26/2004 (Brown)  
**Outcome   Signed (Comr. Kennedy will file a dissent.)**  
                              D04-03-041  
                              Yes: (Brown, Lynch, Peevey, Wood)  
                              No: (Kennedy)  
                              Abstain: (none)  
                              Absent: (none)
- 61**                    **A03-12-028 - Conference with Legal Counsel - Application for Rehearing**  
 [3256]                    Disposition of the application of Utility Design, Inc. for rehearing of Res G-3359. In Res G-3359, the Commission approved Advice Letter 2111-G filed by Pacific Gas and Electric Company (PG&E). It concluded that claims for reimbursement under Gas Rule 15 of PG&E should follow the procedures established by the court hearing PG&E's petition for bankruptcy. In addition, as ordered by the court, interest on any such claim should be calculated from April 16, 2001, when PG&E filed its petition.  
                              Agenda 3129, Item 42 2/26/2004 (Lynch)  
**Outcome   Signed**  
                              D04-03-042  
                              Yes: (Brown, Kennedy, Lynch, Peevey, Wood)  
                              No: (none)  
                              Abstain: (none)  
                              Absent: (none)

**62**

[3290]

**A02-11-048 - Conference with Legal Counsel - Application for Rehearing**

Disposition of application for rehearing of D03-12-039 filed by Great Oaks Water Company. In D03-12-039, the Commission authorized a revenue increase for Great Oaks' total company operations for test years 2003 and 2004 and no revenue increase for test years 2005 and 2006.

**Outcome Signed**

D04-03-043

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**63**

[3300]

**I02-04-026 - Conference with Legal Counsel – Application for Rehearing**

Disposition of applications for rehearing of D03-12-035 filed by (1) City and County of San Francisco (CCSF), (2) City of Palo Alto, (3) Aglet Consumer Alliance (Aglet), and (4) Office of Ratepayer Advocates, CCSF and Aglet (collectively, Joint Applicants). In D03-12-035, the Commission modified a proposed settlement agreement between Pacific Gas and Electric Company (PG&E), PG&E Corporation and the Commission Staff to permit PG&E to emerge quickly from bankruptcy protection and approved the settlement agreement, as modified.

**Outcome Signed (Comr. Lynch reserves the right to file a statement of abstention.****Comr. Wood reserves the right to file a statement of abstention.)**

D04-03-009

Yes: (Brown, Kennedy, Peevey)

No: (none)

Abstain: (Lynch, Wood)

Absent: (none)

**64**

[3329]

**R93-04-003 - Conference with Legal Counsel – Application for Rehearing**

I93-04-002 - Related matters. Disposition of Applications for Rehearing of D03-01-077 filed by Verizon California (Verizon) and The Utility Reform Network, and Motion of Pacific Bell Telephone Company for Stay of D03-01-077. D03-01-077 ordered Pacific Bell and Verizon to offer the line sharing unbundled network element (UNE) and adopted a permanent UNE rate for the High-Frequency Portion of the Loop of \$0 for both Pacific and Verizon.

**Outcome Signed**

D04-03-044

Yes: (Brown, Peevey, Wood)

No: (Kennedy, Lynch)

Abstain: (none)

Absent: (none)